

# MCA

## Millennium

# Challenge Account



"The MCA is extraordinary in its magnitude and revolutionary in its approach."

—Secretary of State Colin L. Powell  
*Washington Post*  
June 10, 2003

"Millennium Challenge Accounts represent the most significant change in our approach to foreign aid in years, perhaps ever. I urge all my colleagues to support it and look forward to watching its implementation, particularly with African countries, in my role as chairman of the Subcommittee on African Affairs."

—Senator Lamar Alexander  
July 11, 2003

"I believe it is critical for the United States to provide full funding for the MCA at its inception to demonstrate our commitment to those in the developing world who seek a better life and our fellow citizens at home who deserve a safe and secure future free from terror."

—Senator Diane Feinstein  
July 11, 2003

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[www.mca.gov](http://www.mca.gov)

### In this edition:

- The House overwhelmingly passed legislation authorizing an independent MCA and is expected to take up its appropriations bill during the week of July 20.
- In the Senate, bipartisan support was secured for Lugar-Hagel authorization language as part of the State Authorization Bill. The Senate Appropriations Committee approved \$1 billion in FY 2004 for the MCA.
- A newly convened interagency working group will develop the President's vision of a groundbreaking development assistance program.

### House Authorizes MCA

The House International Relations Committee passed the MCA Bill by a large bipartisan vote as the Hyde-Lantos Amendment to the State Department Authorization Bill. Although the Hyde-Lantos Amendment was first accepted by voice vote, members called for a recorded vote after the debate ended. The final vote was 368 yeas, 52 nays, and 15 no vote.

An amendment offered by Congressman **Jim Kolbe** clarifying the relationship of USAID with the MCC was adopted by voice vote, but all other amendments were voted down.

The House Appropriations Committee marked up the Foreign Operations Bill on July 16, allocating \$800 million to the MCC in FY2004. The House is expected to consider the Foreign Operations Bill the week of July 20, before it recesses for August.

### Senate Debates MCA

The Senate considered MCA legislation introduced by Senators **Richard Lugar** and **Chuck Hagel** to the State Department Authorization Bill during the second week of July.

Although the bill was set aside until after the August recess, the MCA amendment remains a part of the bill with two amendments attached. First, Senator **Dick Durbin** added language that stipulates indicators must take women and children into account. Second, Senator **Christopher Dodd** amended the bill to prohibit MCA funds from being used in projects that could displace U.S. jobs or production or pose an environmental or health hazard.

The Administration will continue to work with the Senate to produce an MCA that fulfills the President's vision.

### Interagency Working Group Takes on MCA

The Administration has established an interim interagency MCA working group that will develop operational, administrative, and institutional plans and options. These will be considered and implemented as soon as MCA legislation passes Congress and funding is appropriated.

The working group, led by USAID Assistant Administrator **Patrick Cronin**, will do preparatory work to frame plans and options that help the ultimate CEO and MCA staff get the program up and running. The interim working group includes representatives from State, Treasury, USAID, and the Office of Management and Budget (OMB).